GROUND LANDLORDS AND RATES.

THE statement that Ground Landlords pay no part of the rates is absolutely contradicted by the Final Report of the Select Committee of the House of Commons on Town Holdings, presented in May, 1892, after an inquiry extending through nearly seven Sessions, and over two years almost exclusively devoted to hearing evidence on this subject.

The following are extracts from the Report:—

(Page 7.)—"**The idea that ground rents are a "class of property which at present escapes "assessment for the purposes of local taxation "is of course quite erroneous.** The basis of all rating "is the whole annual value of the building and of the land on "which it stands, regarded as one entire property. In the "ordinary case of a house subject to a ground rent, and let by "the owner to the occupier at a rack rent, the several interests "of the ground landlord, of the owner of the house, and of the "occupier, constitute together the subject-matter of an assess-"ment which is made upon the property as a whole. There "appears to have been a popular impression that ground rents "constitute a subject-matter of assessment hitherto untouched, "and that a new and fresh source of revenue for local purposes "would be 'tapped' by imposing a direct assessment on such "ground rents, in addition to the present assessment of the "whole property. But **this view was found not to "bear examination.** It was soon seen that the assessed "value of the house includes that of all the various interests "above enumerated, and that to put a direct assessment on the "ground rent in addition to the existing assessment of the house, "would be to rate a certain portion of the value twice over."

[P.T.O.

(Page 12.)—"Upon the whole, the conclusion we have "arrived at is that **in the inception of the ground-"lease allowance is made on account of the "existing and contemplated rates,** and that **the "amount of such allowance is deducted from "the ground rent,** which might otherwise be charged, and "that to the extent of such allowance **the owner of the "ground rent indirectly bears the burden of "rates,** in the sense that if this burden were remitted he "would be able to obtain a ground rent increased by the amount "so allowed for. Similarly, the house-owner gets from the "occupier a lower rent than he would have obtained if it had "not been for the obligation undertaken by the tenant to pay "the rates."

(Page 13.)—"These considerations lead us to the conclusion "that the burden of the increase of rates is borne by both "house owner and occupier, in proportions varying according to "the supply and demand of houses, and other circumstances, "and that **inasmuch as the greater number of "occupiers hold under comparatively short "tenancies, opportunities of revising their "bargains are of correspondingly frequent "occurrence."**

(Page 36.)—"**Ground rents and feu duties are "already taxed** as being included in the rateable value of "the town holding on which they are secured. They do not "constitute a fresh matter of assessment hitherto untouched, as "is often supposed. The imposition of a direct assessment upon "such ground rents and feu duties, as distinguished from the "assessed value of the house itself, as at present rated, would "lead to anomalies and inequalities, and has been generally "abandoned."

"The real as opposed to the apparent incidence of local "taxation in towns, falls **partly upon the owner of "the land,** partly upon the house owner, and partly upon the "occupier. The proportions in which the burden is distributed "are difficult to determine, and depend upon a variety of circum-"stances, among which the demand for and supply of houses is "the most important."

Published by the PROPERTY PROTECTION SOCIETY, 45, Parliament Street, S.W.
Printed by Metchim and Son, 20, Parliament Street, S.W., and 32, Clement's Lane, E.C.